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*Effects of the Free Trade policy recently inaugurated
in England as indicated by its practical results,*

*A Memorandum of the Board of Trade respecting
British Commerce, Navigation and Finance before
and since the adoption of Free Trade and the Re-
peal of the Navigation Laws.*

*A Statement showing the Effect of a Diminution in
Import Duties on certain articles upon the amount
of Revenue received on those articles.*

Published for Distribution, by order of the Victoria, V. I.,
Chamber of Commerce.

PRINTED AT THE VANCOUVER TIMES OFFICE, VICTORIA, V.I.

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*Effects of the Free Trade policy recently inaugurated
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[Originally published in the "Moniteur."]

IMPORTS.

1. The OFFICIAL value, which amounted in 1842 to £65,200,000, had increased in 1858 to £138,100,000, or more than double.

EXPORTS (BRITISH).

2. The REAL value of exports increased in the same time from £47,300,000 to £116,600,000, or two and a half times as much.

SHIPPING.

3. The tonnage of British shipping that entered and cleared with cargoes in 1842 was 5,415,821 tons. In 1858 it was 11,114,330 tons. The tonnage of foreign shipping increased from 1,930,983 to 7,645,631 tons. The total tonnage therefore increased from 7,346,804 to 18,759,961 tons, or more than two and a half times as much.

CUSTOMS AND EXCISE REVENUE.

4. The revenue from these sources amounted in 1842 to £33,542,791. Between that date and 1858 taxes of Customs and Excise were repealed or reduced to the extent of no less than £11,100,000 net (*i. e.*, in excess of similar taxes imposed). If, therefore, there had been no increase from other articles the revenue in question would only have amounted in 1858 to £22,400,000, whereas it actually produced as much as £40,087,703, or upwards of £6,500,000 more than in 1842, notwithstanding the above enormous reductions.

NATIONAL DEBT.

5. The National Debt, which amounted in 1842 to £791,250,440, decreased continually till 1853,

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when it only amounted to £771,335,801. In consequence of the Russian war it had increased again to £808,000,000 in 1856, but once more diminished to the extent of £3,500,000 by 1858.

STATE OF THE NATIONAL FINANCES.

6. In 1842 the expenditure exceeded the income by £3,979,539. In the eleven years between that date and the Russian war, there were only two years when the expenditure was greater than the income. In the other nine, the surplus of income was on the average between £2,000,000 and £3,000,000 a year. The Russian war caused a deficiency for three years, in one of which (1855) it was as great as £21,140,000. In 1858 the income again exceeded the expenditure by £1,127,657. The expenditure in 1858 was £9,739,729 greater than in 1842, but the income was £14,846,925 greater.

SHIP-BUILDING.

7. The tonnage of ships built in 1842 was 129,929 tons, of which 13,716 tons were steamers. In 1858 there were built 208,080 tons, of which 53,150 tons were steamers.

BANK OF ENGLAND.

8. The deposits in the Bank of England at the end of 1842 amounted to £9,063,000; at the end of 1858 to £20,490,000, or much more than double. Its assets increased, in the same time, from £30,890,000 to £45,083,000.

EFFECTS ON THE SOCIAL CONDITION OF THE PEOPLE.

SAVINGS BANKS.

9. The capital of Savings Banks in 1842 was £25,319,336; in 1858, £36,193,400, an increase of nearly one half. This is a conclusive proof of the increased prosperity of the working classes since the introduction of Free Trade.

PAUPERISM.

10. In the year 1842 (ending March 1843.) with an estimated population of 16,194,000, the amount expended in England and Wales for the relief of the poor, was £5,208,027, being at the rate of 6s. 5½d. per head. In the year 1858, with a population of 19,578,000, the amount expended was £5,558,689, or 5s. 8¼d. per head. Had the poor-rates increased in proportion to the population, they would have amounted in the latter year, to £6,250,000.

CRIME.

11. The number of committals for trial in England and Wales in 1842 amounted to 31,309. In 1858, notwithstanding an increase to the population of 3,400,000, the committals had fallen off to 17,855. In the former year, 193 persons out of every 100,000 were therefore grave offenders against the law; in the latter, only 91, or less than half. It should be stated, however, that a portion of this most satisfactory diminution in the number of committals is owing to the Criminal Justice Act of 1855, which authorizes Magistrates to convict summarily in certain cases, with the consent of the prisoner,—and to the Juvenile offenders Act.

EFFECTS ON PRODUCERS,

(a) WHEAT.—The quantities of home-grown wheat returned, as sold in our markets in 1842, were 4,091,235 quarters, and in 1858, 5,203,948 quarters, exhibiting an increased demand for English corn under Free Trade to the extent of more than 1,000,000 quarters. The average price in the former year was 57s. 3d. per quarter; in the latter, 44s. 2d. That Farmers can get as high a price under Free Trade, while the country is prosperous, as under Protection while it is badly off, is shown by the fact that the average price in two recent years (1854 and 1855) was 72s. 5d. and 74s. 8d. per

quarter, or considerably higher than the average for any year since 1819.

(b) SILK.—The duty on foreign silk manufactures, which formerly amounted to 30 per cent. has been reduced to 15 per cent. The exports of British manufactured silks, which amounted, in 1842, to £590,189, increased, in 1858, to £2,096,300, and in 1856 and 1857 were as much as £2,900,000. Until 1826 foreign silks were entirely prohibited; but although the British manufacturer had a complete monopoly of the home market, the trade was far from being prosperous, the exports only averaging about £350,000 per annum.

(c) WOOL.—In 1842 foreign wool was subject to a duty of from $\frac{1}{2}$ d. to 1d. per lb., while Colonial wool was admitted duty free. In that year 18,486,719 lbs. of Colonial, and 27,394,920 lbs. of foreign wool were imported. The protection with which it was thus attempted to nurture the home and Colonial producer was entirely abolished in 1844; and in 1858, while the importations of foreign wool had increased to 41,527,624 lbs., or only one half as much again as in 1842, the importations of Colonial wool increased to 85,211,099 lbs., or between four and five times their former amount; despite the loss of all protection. The production of wool at home has also largely increased at the same time. But so great is the power of consumption under Free Trade, that notwithstanding all this increase of supply, the demand has raised the price from 10d. or 11d. per lb. in 1842, to 1s. 6d. or 1s. 8d. per lb. in 1858, of course to the great advantage of the producer. The exports of British woollen manufactures also increased in that time from 5,185,045 to 29,776,944, and of woollen yarn from £637,305, to £2,966,923.

(d) SUGAR.—Foreign sugar remained prohibited in 1842, Colonial sugar paying 25s. 2d. per cwt.

Since then foreign sugar has been admitted to compete with Colonial, and the duties on all sugar have been greatly reduced, and the consumption, which amounted, in 1842 to 193,423 tons, increased in 1858 to 424,523 tons. Of that amount 156,128 tons were foreign sugar, which it was predicted would drive Colonial sugar entirely out of the market, the remaining 268,395 tons coming from our own Colonies, which, instead of being ruined by competition, sent us nearly 50 per cent. more than ever.

It would be easy to multiply illustrations to swell the above figures. In fact, the difficulty rather is, to select from the vast mass of evidence of every kind that has accumulated, and that continues to accumulate, to testify to the incalculable benefits that in the short space of fifteen or sixteen years have accrued to this country from the practical adoption of the principles of Free trade; or, to speak more accurately, from the reversion to the simple precepts of Nature, which have been so well epitomised by a great Frenchman, in five short words: "*Laissez faire et laissez aller.*"

Board of Trade, June 10, 1855. E. A. B.

Revised and continued to the latest date, February 18, 1860

Memorandum respecting British Commerce, Navigation, and Finance, before and since the adoption of Free Trade & the Repeal of the Navigation Laws.

The following statements are intended to exhibit the progress of British commerce, navigation, and revenue during recent years, and to illustrate the results of the adoption by Great Britain of a system of commercial freedom, and the repeal of the Navigation Laws.

Whilst the increase of productive power, and other causes, have without doubt, materially oper-

ated in effecting the vast development indicated in this Memorandum, these resources must have remained, in a great degree unprofitable, had the former restrictions on British trade and navigation been still maintained.

EXPORTS AND IMPORTS, OFFICIAL VALUES.

The official value of British and Foreign and Colonial exports and imports combined were as follows in the years 1842, 1853, and 1863 respectively :—

1842.....	£179,095,088
1853.....	365,171,537
1863.....	485,027,340

IMPORTS, OFFICIAL VALUES.

Of these amounts the *official* values of the *imports* were :—

1842.....	£ 65,253,286
1853.....	123,099,313
1863.....	171,913,852

EXPORTS, OFFICIAL VALUES.

During the same years the corresponding values of the exports of British and Irish and Foreign and Colonial merchandise were :

1842.....	£113,841,802
1853.....	242,072,224
1863.....	313,113,188

OFFICIAL VALUE OF EXPORTS OF BRITISH AND IRISH MANUFACTURES,

Of these amounts the *official* value of the proportion of exports of British and Irish manufactures &c., was :

1842.....	£100,255,380
1853.....	214,327,452
1863.....	258,198,551

IMPORTS, REAL VALUE.

The real value of British imports can only be ascertained since the year 1854. In that year they amounted to £152,389,053, whilst in 1863 they had increased to £248,980,942—

EXPORTS, REAL VALUE.

The real values of the exports from the United Kingdom in the years 1854 and 1863 were :—

1854.....	£115,821,092
1863.....	196,902,400

The real values of these exports cannot be given previously to 1854, as such values of Foreign and Colonial merchandise were not ascertained until that year.

REAL VALUE OF EXPORTS OF BRITISH & IRISH MANUFACTURES.

The real values of exports of British and Irish manufactures during the years 1842, 1853, and 1863 respectively, were :—

1842.....	... £ 47,381,023
1853.....	98,933,781
1863.....	146,480,708

The immense development of this branch of our commerce during recent years will be more readily appreciated when it is remembered that the figures for the year 1842 are but little in excess of the average value of our exports during the thirty preceeding years.

REAL VALUE OF EXPORTS OF FOREIGN AND COLONIAL PRODUCE.

In the years 1854 and 1863, the real values of our exports of Foreign and Colonial merchandise were :

1854.....	£ 18,636,366
1863.....	49,485,005

IMPORTS OF ARTICLES OF CONSUMPTION.

The quantities of various principal articles of food below mentioned, and now admitted duty free, were as follows for the three periods :

		1842.	1853.	1863.
Horned cattle	No.	{ prohibited }	125,253	150,898
Sheep.....	"		259,420	430,788
Bacon & hams, cwts.		8,355	205,667	1,877,813
Butter.....	"	175,197	403,289	986,708
Eggs.....	No.	89,548,747	123,450,678	266,929,680
Rice.....	cwts.	511,414	1,504,629	3,070,292

The quantities retained for consumption of the following articles, which are still subject to Customs duties, were :—

	1842.	1853.	1863.
Cocoa..... lbs.	2,246,569	3,997,198	3,712,287
Coffee..... "	28,519,646	36,983,122	32,762,995
Sugar, raw..... cwt.	3,868,437	7,272,833	9,202,524
Tea..... lbs.	37,355,911	58,834,087	85,183,283
Tobacco, unman- ufactured..... "	22,013,146	29,348,568	36,751,173
Wine.....galls	*4,815,222	6,813,830	10,422,105

REAL VALUE OF EXPORTS OF MOST IMPORTANT ARTICLES OF
BRITISH MANUFACTURE.

The declared or real values of the more important articles of British manufacture, exported during the same years are as follows :—

	1842.	1853.	1863.
Apparel, haberdash- ery and millinery.	1,743,270	£ 6,923,190	£ 7,169,975
Cotton yarn.....	7,771,464	6,895,653	8,019,954
" goods.....	13,907,884	25,817,249	39,424,010
Earthenware & porce- lain.....	555,430	1,338,370	1,334,275
Hardware and cutlery	1,398,487	3,665,051	3,826,784
Leather and leather wares.....		1,578,595	2,319,763
Linen yarns.....	1,553,583	1,154,977	2,535,728
" manufactures...	2,373,749	4,758,432	6,509,970
Machinery.....	554,653	1,985,536	4,365,023
Iron and steel.....	2,457,717	10,845,422	13,111,477
Tin plates.....	363,685	1,181,069	1,311,850
Silk, thrown and manufactured.....	590,189	2,044,361	2,229,591
Woollen yarn.....	637,305	1,456,786	5,065,432
" manufactures	5,185,045	10,172,182	15,518,842

Notwithstanding the great increase here indica-

* The importation of wine in 1842 was unusually small, the average impor-
tation from 1840 to 1843 having been nearly 6,500,000 gallons.

ted with regard to British Imports and Exports, it must be borne in mind that few countries have yet comprehensively adopted a liberal commercial policy, and that, consequently, the measures in that direction, which have already been for some years fully applied by Great Britain, cannot be said to enjoy the conditions necessary to the complete development of the system.

NAVIGATION.

The tonnage of British and Foreign vessels which entered and cleared in the United Kingdom *with cargoes*, in the years 1842, 1853, and 1863, respectively, was :—

	1842	1853.	1863.
	Tons.	Tons.	Tons.
British.....	5,415,821	9,064,705	15,263,047
Foreign.....	1,930,983	6,316,456	7,762,116
Total.....	7,346,804	15,381,161	23,025,163

COASTING TRADE.

The coasting tonnage of the United Kingdom has likewise increased greatly, notwithstanding the severe competition of the Inland Railway Carrying Trade, as is shown by the accompanying figures of the tonnage of British and Foreign vessels engaged *with cargoes*, in the coasting trade of the United Kingdom :—

	1842,	1853.	1863.
	Tons.	Tons.	Tons.
British	10,785,450	12,820,745	17,465,635
Foreign.....	None	None	81,897
Total.....	10,785,450	12,820,745	17,547,532

VESSELS BUILT, &c.

The tonnage of vessels built and registered in the United Kingdom in the years 1842, 1853, and 1862, was :—

	1842,	1853.	1862.
	Tons.	Tons.	Tons.
Sailing-vessels.....	116,213	154,956	164,061
Steam-vessels.....	13,716	48,215	77,338
	129,929	203,171	241,399

In addition to the above, the following amount of foreign tonnage was registered in the United Kingdom :—

	Tons.
1842	None.
1853	30,073
1862	74,629

REGISTERED TONNAGE.

The total registered tonnage of the United Kingdom (exclusive of the Channel Islands and Isle of Man) was in the same years :—

	Tons.
1842.....	2,990,849
1853.....	3,960,158
1862.. ..	4,860,191

CUSTOMS REVENUE.

The revenue produced by the Customs has been well sustained, notwithstanding the great reductions effected in our Tariff since 1842. In that year almost every article imported was liable to a Customs duty, and the list of Tariff denominations amounted to many hundreds, whilst at present about twelve leading articles alone are taxed on importation.

The gross Customs revenue amounted in the following years to :—

	£
1842.....	22,771,315
1853.....	22,506,443
1863-64.....	23,232,000

During the same interval the excess of reduction of Customs duties above the amount imposed was :

	£
1843-53.....	10,166,749
1854-63.....	4,458,166

Thus during the whole interval the customs duties have been reduced by £14,624,915, whilst the revenue produced, instead of being diminished, exhibits an actual increase of £460,685.

EXCISE REVENUE.

The gross amount of the duties of excise in the years 1842, 1853, and 1863 were ;

	£
1842.....	14,616,083
1853.....	16,303,237
1863-64.....	18,207,000

The relative additions and diminutions during the same periods were :

	£
1842-53.....	2,488,000 Reduced.
1854-63.....	1,226,000 Imposed.

Excess of Excise duties £ 1,260,000

During the whole period, therefore, the actual increase of the excise revenue was £3,590,917, or upwards of 24½ per cent.

TOTAL REVENUE OF THE UNITED KINGDOM.

The total net receipts of the revenue of the United Kingdom during the three years were as follows :

	£
1842.....	52,763,147
1853.....	58,962,513
1853-64.....	70,721,892

The gross revenue had, therefore, increased during the aggregate period from 1842 to 1863-64, £17,958,745, or 34 per cent., and that this increase was not due to augmented taxation is made evident by the following statement :—

Excess of Amount of Taxation Repealed over the Amount imposed during the periods 1842-53 and 1854-63.

	£
1842-53.....	7,175,986
1854-63.....	4,407,966

Excess of diminution.....11,583,952

or upwards of 20 per cent. of the taxes existing in 1842.

EXPENDITURE.

The expenditure of Great Britain, which amounted in 1842 to £55,223,874, was in 1853, £55,769,252, and in 1863-64 £67,856,286.

NATIONAL DEBT.

In 1842 the amounts of the unredeemed funded and of the unfunded debt were respectively :—

	£
Funded.....	773,068,340
Unfunded.....	18,182,100

Total..... 791,250,440

In 1853—

	£
Funded.....	761,622,704
Unfunded.....	17,742,500

Total.. 779,365,204

In 1863—

	£
Funded.....	777,425,224
Unfunded.....	13,136,000

Total.....790,565,224

In consequence of the actual or approaching termination of various annuities the amount of the debt has been considerably lessened. The esti-

mated capital value of these annuities has not been computed previously to 1855. Since that date, however, they stand as follows ;—

	£
1854-55.....	26,763,244
1862-63.....	17,757,183
Difference.....	9,006,061

The whole amount of the debt stands at present, therefore, almost the same as in 1853, whilst the actual funded and unfunded debt is now less than it was in 1842.

Board of Trade, September 9, 1864.

Statement showing the Effect of a Diminution in Import Duties on certain articles upon the amount of Revenue received on those articles.

		Rate of Duty.	Quantity Consumed.	Amount of Revenue.
		<i>s. d.</i>		<i>£</i>
Sugar,	1821	27 0 per cwt.	3,530,362 cwts.	4,077,706
	1831	24 0 "	4,233,509 "	4,650,589
	1850	11 0 "	6,229,094 "	3,900,663
Coffee,	1801	1 6 per lb.	750,861 lbs.	56,315
	1811	0 7 "	6,390,122 "	186,378
	1821	1 0 "	7,327,283 "	384,283
	1831	0 6 "	21,841,264 "	583,751
	1849	0 4 "	34,399,374 "	566,822
Brandy,	1821	22 7½ per gall.	1,013,400 galls.	1,031,217
	1849	15 0 "	2,187,801 "	1,640,488
Excise duty)	1821	0 3 per lb.	48,204,927 lbs.	579,867
on Paper, {	1849	0 1½ "	132,132,657 "	859,575
Excise duty)	1821	0 9 "	92,941,326 "	1,023,530
on Soap, {	1849	0 1½ "	197,632,280 "	1,026,080

Customs and Excise Duties collected in 1821.....£38,765,814

Deduct Duties repealed and reduced between 1821

and 1849..... 27,801,667

Leaving to be collected..... 10,964,147

But the unrepealed Duties as actually produced in 1849 34,622,284

So that the sum received by the computed

amount was..... 23,658,137

NOTE.—The amount of Revenue which of the foregoing statements will not be found to be the quantities at the given rates of duty. The rates of duty on Sugar and Coffee represent the duties charged on the produce of British Possessions only, whereas, some part of the duty is levied at higher rates on the produce of foreign countries, where the amount of Revenue is increased. On the other hand, it frequently happens that allowances have to be made to the merchant which reduce the Revenue below what it would have been by computation.

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